

VZCZCXYZ0000  
RR RUEHWEB

DE RUEHIN #0719/01 0670738  
ZNY CCCCC ZZH  
R 080738Z MAR 06  
FM AIT TAIPEI  
TO RUEHC/SECSTATE WASHDC 8915  
INFO RUEHBJ/AMEMBASSY BEIJING 4814  
RUEHUL/AMEMBASSY SEOUL 7652  
RUEHKO/AMEMBASSY TOKYO 7511  
RHMCSUU/DEPT OF ENERGY WASHINGTON DC

C O N F I D E N T I A L AIT TAIPEI 000719

SIPDIS

SIPDIS

STATE FOR EAP/TC AND NP/NE ALEX BURKART  
NRC FOR JEFF MERRIFIELD, KEVIN BURKE

E.O. 12958: DECL: 03/01/2010  
TAGS: [ECON](#) [ENRG](#) [PARM](#) [IAEA](#) [KNNP](#) [TW](#)  
SUBJECT: NRC COMMISSIONER VISIT TO TAIWAN NUCLEAR PLANTS  
FOCUSES ON LICENSING AND SAFETY

REF: A. 02 TAIPEI 3912

[1](#)B. 05 TAIPEI 04246

Classified By: ACTING AIT DIRECTOR DAVID KEEGAN, REASONS 1.4 (b)

[1](#)1. (C) Summary: Nuclear Regulatory Commissioner Jeff Merrifield visited Taiwan Feb 22-24 to meet with his counterparts at the Atomic Energy Council (AEC) and to visit the Institute for Nuclear Energy Research (INER) along with two nuclear power plant sites in northern Taiwan. AEC chairman Ouyang told Merrifield that the AEC will likely be re-organized, possibly under a new "Department of Environment and Resources", over the next two years. At INER he was shown progress made by Taiwan in low level nuclear waste reduction. He also visited the no. 4 nuclear power plant site which is slated for completion in 2010. Following a visit to the no. 2 power plant and review of its safety guidelines, Merrifield gave it a mid-ranking. Taiwan's nuclear power plants are due for a license extension but that conflicts with the "nuclear free homeland" policy of the ruling DPP party. Taipower plans to extend the operating lifetime of its three existing nuclear plants and hopes that nuclear power will get a new lease on life in Taiwan in 2008 if the opposition party KMT candidate wins the presidential election. End Summary.

AEC to be re-organized  
-----

[1](#)2. (C) On Feb 23 NRC Commissioner Merrifield met with AEC chairman Minister Ouyang Min-shen and others at the AEC HQ. Ouyang welcomed Merrifield's visit, his second to Taiwan in 13 years. Ouyang said that the AEC would be re-organized within two years. This was in line with the government's overall plan to trim expenses and streamline its operations. Ouyang thought that AEC would be re-organized under a new "Department of Environment and Resources" or possibly a "Department of Science and Technology". The final reorganization is yet to be determined and is subject to legislative deliberation. INER would then become a separate entity from the AEC, with the government continuing to fund research at INER but INER would also seek to provide goods or services to the private sector. Merrifield expressed concerns that the reshuffle would weaken AEC's regulatory powers and that NRC would lose direct access to the AEC, since it would become a second tier organization.

Taipower: keep existing units operating

-----  
13. (C) Merrifield also met with Taipower president Ed Chen and other officials during his visit to their offices. They told him that, although Taiwan's stated goal for the future was to become nuclear-free, the public had become more accepting of nuclear power as long as they could be assured of its safety. Chen said Taipower had no plans to expand the existing nuclear power plants except to complete the 4th NPP and to keep existing units in good operating trim. Merrifield said that there are plans in the U.S. for 12-15 new NPP in the future and that approval ratings from the public to nuclear power were about 65 percent. Merrifield stated that much progress had taken place in the U.S. regulatory field and that 38 NPP had their licenses extended from 40 to sixty years. Taipower officials said that Taiwan was also planning for a 40 year license to be given to the newer plants at Kuosheng and Maanshan. The AEC can approve those licenses but further expansion of existing power plants would require Legislative Yuan approval. They also said that dealing with spent fuel was a headache, in particular low level waste material. They have developed in conjunction with INER a method whereby low level waste is compacted and waste storage space drastically reduced. Spent fuel rods, according to Taipower, are kept in dry storage at the nuclear facilities. Taipower officials said they look forward to continued international cooperation on the fuel rod storage issue. (Note: Taipower officials privately admitted to AIT that nuclear power is their only profitable power-generating operation and that they will need to raise electricity costs very soon to avert a financial crisis. End note.)

INNER: low level waste compaction-is it marketable?  
-----

14. (U) Commissioner Merrifield visited the research facilities at INER and met its director Lin Li-fu. Lin mentioned that they need two permits (construction and

operating permits) in order to run a nuclear plant. In the U.S. it is a one step process. He also said that INER will eventually split off from AEC although they will share a parent organization (Dept of Environment and Resources). This will turn INER into a non-profit organization still devoted to research but part of its funding will be from private contracts. Later the commissioner visited the labs at INER where a waste-compaction process had been developed which drastically reduced the low level radioactive waste generated by the nuclear plants. From a high of 12,000 200-liter drums in 1983 they had brought it down to only 664 drums in 2004. INER Director Lin informally requested U.S. help in marketing its new waste-compaction process and said that INER had secured patents in the U.S. Japan, and EU.

4th Nuclear plant slated for completion 2010  
-----

15. (U) On 2/24, the Commissioner visited the nuclear power plants at Lungmen (under construction) and Kuosheng (operating since 1981). At Lungmen the Commissioner and others went down a 500 foot deep shaft to inspect the water pumping tunnel that was being completed. They also looked at the one reactor unit that had been installed in its vessel and another that was stored in a sealed warehouse pending installation. The control room is a state of the art digital model. Currently the plan is to bring the no. 1 reactor online in 2009 followed by reactor 2 in 2010. The two power plants are expected to generate 2,700 megawatts once operational. There is space allocated for two more reactors on site. Funding stopped in 2000 for the project due to political opposition by the ruling Democratic People's Party (DPP), only to resume the following year. According to news reports, the delay in completion of the project has badly affected morale at the construction site and resulted in huge cost overruns which increase everyday the project is delayed. It is estimated that it will take another 200 billion NT dollars to complete the project. Although most of the equipment is stored on site ready for installation,

Merrifield thought the pace of construction at Lungmen NPP a bit slow. Besides the local workforce, there are about 800 foreign laborers, mostly from Thailand, working on the project.

¶6. (C) The nuclear power plant at Kuosheng in contrast, has been operating since 1981. It has two reactors generating a total 1,970 megawatts of electrical power. Staff at the plant took the U.S. delegation to their control center and showed the visitors their safety procedures. The delegation toured one of the pump rooms and the reactor core to have a look. The Commissioner gave a middle ranking to the safety procedures in place at the 2nd NPP at Kuosheng.

¶7. (C) Comment. Taiwan used the visit of the NRC Commissioner Merrifield to help its emphasis on safety in its nuclear power plants. Under the ruling party, Taiwan's official policy of a "nuclear free homeland" envisions the eventual decommissioning of its nuclear power plants. This policy is diametrically opposite to current plans to extend the licensing of Taiwan's aging nuclear plants (the oldest was built in 1978). The nuclear agencies and Taipower are hoping that the political winds will shift in favor of nuclear power in 2008 if the Kuomintang (KMT) party candidate wins the presidential election. Taipower and AEC will continue to emphasize the safety aspects of nuclear power (and its lower electricity costs compared with conventional power plants) while hoping that public support will shift in their favor--allowing them to extend their operating life and to expand the capacity of Taiwan's four nuclear power plants.  
End comment

KEEGAN